

wrb

CLASSIFICATION RESTRICTED
 SECURITY INFORMATION
 CENTRAL INTELLIGENCE AGENCY
 INFORMATION FROM
 FOREIGN DOCUMENTS OR RADIO BROADCASTS

REPORT

STAT

CD NO.

COUNTRY Korea

SUBJECT Economic; Sociological - Labor

DATE OF
INFORMATION 1949HOW
PUBLISHED Yearbook

DATE DIST. 28 Apr 1952

WHERE
PUBLISHED P'yongyang

NO. OF PAGES 8

DATE
PUBLISHED 20 Feb 1950

LANGUAGE Korean

SUPPLEMENT TO
REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE
 OF THE UNITED STATES WITHIN THE MEANING OF ESPIONAGE ACT 50
 U. S. C. 31 AND 32, AS AMENDED. ITS TRANSMISSION OR THE REVELATION
 OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PRO-
 HIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

SOURCE

Choson Chungang Nyongam 1950, published by Choson Chungang T'ongsin-sa.

LABOR SUPPLY, PRODUCTIVITY, WAGES,
 AND WELFARE PROGRAM IN NORTH KOREA

The following report shows a general increase in labor supply, productivity, and wages, and describes the welfare program carried out in North Korea for the postwar period up to 1949. This report also gives some estimates for 1950.

The labor supply, as of June 1949, was 157.2 percent of 1946. The skilled workers as of June 1949 numbered 22,141, as compared to 4,688 in 1947. Various types of labor welfare programs are in effect. During 1947 - 1949, some 17 million persons benefitted under a social insurance program. A form of collective bargaining technique known as "group contract" was adopted in North Korea to stabilize wages and to promote the safety of workers. Using 1947 as the base year, the average wage in 1949 was 114.3 percent of that of 1947. The piecework bonus system is being used to stimulate production. Various types of safety devices have been installed, and safety equipment is rented or given free to workers.

The estimated labor productivity in 1950 was 326.2 percent of that of 1946. Production increase campaigns to surpass the quotas set by the Two-Year People's Economic Program were instrumental in the increase in labor productivity. In 1949, May Day, Labor Law Commemoration Day, the Korean Independence Movement Day, etc., were occasions for production increase campaigns participated in by some 287,000 workers. One of the aims of the campaigns was reduction in production costs. One of the objectives for 1950 was to decrease costs by 18.3 percent below 1948 in all nationalized industries and by 20 percent in local industries. In 1948, agricultural production surpassed the highest level attained by the Japanese in 1939.

A. Labor Supply

The labor population, especially specialists and technicians, increased yearly in North Korea as follows:

- 1 -

STATE		CLASSIFICATION		RESTRICTED		DISTRIBUTION									
NAVY	<input checked="" type="checkbox"/>	NSRB	<input checked="" type="checkbox"/>												
AIR	<input checked="" type="checkbox"/>	FBI	<input checked="" type="checkbox"/>												

RESTRICTED

STAT

Rate of Labor Population Growth
(December 1946 equals 100)

	<u>Dec 47</u> (%)	<u>Dec 48</u> (%)	<u>Jun 49</u> (%)
Workers	121.8	147.6	172.6
Specialists	129.6	131.2	181.4
Technicians	133.4	165.4	181.6
Office workers	113.2	126.1	125.2
Total	119.8	138.6	157.2

No of Skilled workers in North Korea

<u>1947</u>	<u>1948</u>	<u>Jan - Jun 49</u>
4,688	25,525	22,141

B. Social Insurance

1. Finance

The government fund earmarked for social insurance is supplemented by the amount collected from the employees and employers. The employees who are covered by this insurance pay one percent of their wages and the employers pay from 5 to 12 percent of the amount of the wages.

In 1948, the net revenue was 559,063,000 won and the payment for insurance claims was 662,426,000 won. At the end of September 1949, the revenue amounted to 555,969,000 won, and the payment to 469,702,000 won.

2. Beneficiaries

The social insurance program went into operation on 24 January 1947. At the end of June 1949, the total number of persons covered by this program included: the actual number /direct beneficiaries/ 4,579,027 persons; the total number /including families/ 17,763,446 persons. Taking the first half of 1948 as 100 the percentage increases for the first half of 1949 were: actual number, 558.6 percent; total number, 246.1 percent.

Total No Who Received Social Insurance Payments
/Cumulative Since January 1947/

	<u>1947</u>	<u>1948</u>	<u>Jan - Jun 1949</u>
Direct beneficiaries	606,037	1,482,505	2,490,485
Total /including families/	3,694,369	7,636,741	6,432,336

The amount paid out in the form of pensions and medical benefits was 42,490,000 won in 1947; 217,379,000 won in 1948; 278,215,000 won as of the end of September 1949.

- 2 -

RESTRICTED

RESTRICTED

STAT

3. Rest Places, Convalescent Homes, Sanatoria

From the time that the social insurance program went into operation to the end of the first half of 1949, the number of beds in all the rest places, convalescent homes, and sanatoria and the number of patients treated have increased as follows:

Rest Places, Convalescent Homes, Sanatoria
(1947 equals 100)

	<u>No of Beds</u> (%)		<u>No of Patients</u> (%)	
	<u>1948</u>	<u>Jan- Jun 49</u>	<u>1948</u>	<u>Jan- Jun 49</u>
Rest places	128.5	141.2	144.9	123.7
Convalescent homes	250.0	315.0	2,023.7	445.2
Tuberculosis sanatoria	155.6	177.8	498.7	180.6
Lepers sanatoria	170.0	177.0	415.4	303.7

The average weight increase of the patients in rest places and recuperation places was as follows:

Average Weight Increase Per Patient at Rest Places
and Convalescent Homes (in kg)

	<u>Jan - Jun 48</u>	<u>Jan - Jun 49</u>
Rest places	0.8	2.0
Convalescent homes	1.5	1.6

The amounts paid out each year from the social insurance funds for construction and upkeep of rest places, convalescent homes, and sanatoria, were: 1947, 72,441,000 won; 1948, 245,907,000 won; and up to September 1949, 129,860,000 won.

4. Holiday Provisions

Laborers and office workers work only 8 hours a day (7 hours in case of hazardous occupations and 6 hours in case of child laborers). They are free to rest Sundays and holidays, and each year are entitled to from 2 to 4 weeks of vacations. The number of vacationers increased to 194.4 percent in the first half of 1948 and to 329.1 percent in the first half of 1949, as compared with the first half of 1947.

Special provisions were made for female workers, as follows:

- 3 -

RESTRICTED

RESTRICTED

STAT

Measures Taken to Protect Female Workers

	<u>No of Vacations Granted Before and After Childbirth (%)</u>	<u>No of Persons Transferred to Light Work (%)</u>	<u>No of Persons Privileged With Nursing Time (%)</u>
1948 (1947 equals 100)	149.2	109.7	111.9
Jan - Jun 1949 (Jan - Jun 1948 equals 100)	307.2	268.0	446.2

C. Group Contracts

Democratic group contracts are widely concluded, in accordance with the labor laws, between employers (both state and private enterprises) and labor groups. The number of group contracts recorded during 1940 (including both state and private enterprises) increased to 109.8 percent and the persons involved increased to 120.6 percent, as compared with 1947.

As the result of the group contracts, wages were stabilized, and additional safety devices, including new types, were installed in working places; regulations for the protection of labor were enforced; and labor hazards have been reduced by supplying individual workers with protective equipment at little or no charge. These measures resulted in increased productivity. The total number of accidents during the first half of 1949 decreased to 84.0 percent of the first half of 1948.

The improvement in labor discipline has been indicated by the decreasing number of absentees. The attendance rate of all laborers and office workers in North Korea was 90.2 percent in the second quarter of 1947. However, this increased to 92.3 percent in the second quarter of 1948 and further increased to 94.5 percent in the second quarter of 1949.

D. Wages and Bonus Systems1. Wages

The average wage of North Korean workers, who receive equal wages for equal work irrespective of age or sex, is shown in the following table.

	<u>Percentage Rate of Wage Increase</u>		
	<u>1947</u>	<u>1948</u>	<u>1949</u>
Average wages	100	103.7	114.3

2. Bonus System

The piecework bonus system is widely used in factories, mines, and other enterprises. During the first half of 1949, the participants in the piecework bonus system increased to 193.1 percent of 1948. Bonus payments rose to 117.8 percent in the first half of 1948 and to 161.4 percent in the first half of 1949 as compared with the first half of 1947.

- 4 -

RESTRICTED

RESTRICTED

STAT

The amount of cash bonus is based on the amount of extra output gained. Up to 50 percent of the value of the gains realized by surpassing the production norm is paid back to the worker. Divided into three classes, the lowest bonus starts at 100 percent of basic wage, and increases until it reaches 300 percent of basic wage. Persons employed in hazardous work or in an important section of the railway factory receive the bonus in the form of extra ration coupons: 100 grams of ration (per day) for production from 110 to 130 percent of norm; 175 grams for 131 - 150 percent; and 250 grams for production above 150 percent.

E. Labor Protection1. Safety Devices

As of the end of June 1949, 7,870 factories were equipped with the following safety devices for the benefit of 392,672 workers:

<u>Type of Device</u>	<u>Quantity</u>
Power generators and conductors	14,375
Fall prevention devices	6,739
Ore conveyers	2,778
Hoists	727
Mine safety facilities	4,037
Dust and gas prevention equipment	529
Sewage facilities	576
Power station safety devices	2,932
Fire prevention devices	7,164
Signals	4,154
Miscellaneous	489

2. Protective Equipment Supplied to Workers

In accordance with the decision of the government, or under the provisions of group contracts, many types of protective equipment are rented or given to workers by their employers. The actual number of each type of equipment rented during the second and third quarters of 1949 was as follows:

Protective Equipment Rented to Workers

(unit in pieces)

	<u>2d Qu 49</u>	<u>3d Qu 49</u>
Masks	91,176	83,028
Clothing	30,493	47,534
Safety caps	4,996	1,646
Gloves	13,731	24,847
Footwear	79,443	91,523
Eye glasses	2,571	2,575
Shoulder pads	2,945	3,100
Aprons	8,882	9,005

- 5 -

RESTRICTED

RESTRICTED

STAT

During the first half of 1949, the total value of protective equipment distributed to the workers in textile and other manufacturing industries reached 76,285,000 won (represents $2\frac{1}{2}$ times the previous year) while those distributed to food processing industry, 15,430,000 won (represents 2 times the previous year).

F. Labor Productivity

1. Production Increase Movement

The production increase movement was originated in 1946 by Kim Hae-il, a worker at the Ch'ongjin Locomotive District in P'yongan Pukto, in an effort to speed up restoration of rail transportation. The movement, which spread rapidly throughout North Korea, was joined in 1946, by some 259 factories and 58,300 workers.

The establishment of the People's Economic Program in 1947 further stimulated the movement, especially by the initiative of the workers at the Sadong Coal Mine, who launched a campaign to surpass the production quotas set by the economic program in celebration of the 1 March 1919 incident. A total of 41 factories and mines joined the campaign. A similar campaign, launched by the workers of the P'yongyang Locomotive District on the occasion of the May Day celebration, to operate their locomotives for 100,000 kilometers without accident, was entered by 411 factories and mines. Now the North Korean workers launch production increase campaigns each year in celebration of 1 March, May Day, Labor Law Day (24 June), and Liberation Day (15 August).

Statistics on the Production Increase Movement by Year

	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>Jan- Jun 49</u>
Participating factories	259	604	1,490	1,677
No of participants	58,343	163,067	244,357	287,307
Factory ratio (%)	100	233.0	575	647.5
Participant ratio (%)	100	279.5	418	492.4

Workers' Inventions and Practical Suggestions

	<u>1947</u>	<u>1948</u>	<u>Jan - May 49</u>
No of Cases	357	652	678
Contributors	352	663	1,459

Yearly Increase of Labor Productivity (records for nationalized industries, 1946 equals 100)

<u>1947</u> (%)	<u>1948</u> (%)	<u>1949 (Estimate)</u> (%)	<u>1950 (Estimate)</u> (%)
170.7	235.8	283.4	326.2

2. Reduction of Production Costs

One of the objectives for 1949 was to reduce the average production costs by 9.3 percent in nationalized industries and by 13 percent in local [private] industries, as compared with 1948. However, during the first half

- 6 -

RESTRICTED

RESTRICTED

STAT

of 1949, the reduction was 3.3 percent greater than the planned objective for nationalized industries. There was also a noticeable reduction in production cost in local industries. During the second quarter of 1949, the reduction was as much as 22.3 percent more than originally planned for some of the nationalized mines.

Production costs in North Korea are decreasing steadily because of rapid mechanization of production facilities, improvement in efficiency and in labor productivity. The following goals were set by the 1949 - 1950 Two-Year People's Economic Program for reduction of production costs for various industries.

Goal of Two-Year Plan for Reduction of Production Costs

(1948 equals 100)

	<u>1949</u>	<u>1950</u>
Nationalized Industries	9.3	18.3
Electricity	9.3	17.0
Fuel	8.4	19.0
Mining	8.3	14.0
Metallurgical	6.8	10.9
Mechanical	20.5	25.6
Chemical	6.4	11.4
Construction	11.3	13.0
Light Industries	13.7	18.7
Local Industries	13.0	20.0

The amount of agricultural production in 1948 increased tremendously in comparison with that of 1945. The 1948 crop surpassed the 1939 crop which was the year of highest production during the Japanese occupation.

As a result of vigorous campaigns to stimulate animal husbandry which is one of the most important phases of Korean agriculture, the number of cattle increased to 168.8 percent while the pigs increased to 288.3 percent at the end of 1948 as compared with 1945.

The number of farmhouses built or remodeled during the period from 1945 to 1948 is as follows:

Total No of New Houses	101,149
Tile-roof houses	27,712
Thatched-roof houses	72,412
Brick houses	1,325
Rebuilt houses	41,897

Other data on North Korean rural situation during 1945 - 1948 are as follows:

No of households which purchased cattle	117,808 families
Agricultural Implements Purchased	
Threshing machines	26,204 units
Weeding machines	3,074 units
Horse and ox carts	32,392 units

- 7 -

RESTRICTED

RESTRICTED

STAT

Household Equipment Purchased

Radios
Phonographs
Electric lights installed

23,941 sets
837 units
412,533 lights

New Schools Build

Kindergartens
Adult schools
Adult high schools
High schools
Colleges

73
5,572
1,346
383
31

- E N D -

- 8 -

RESTRICTED